

Gold Mining

Waihi

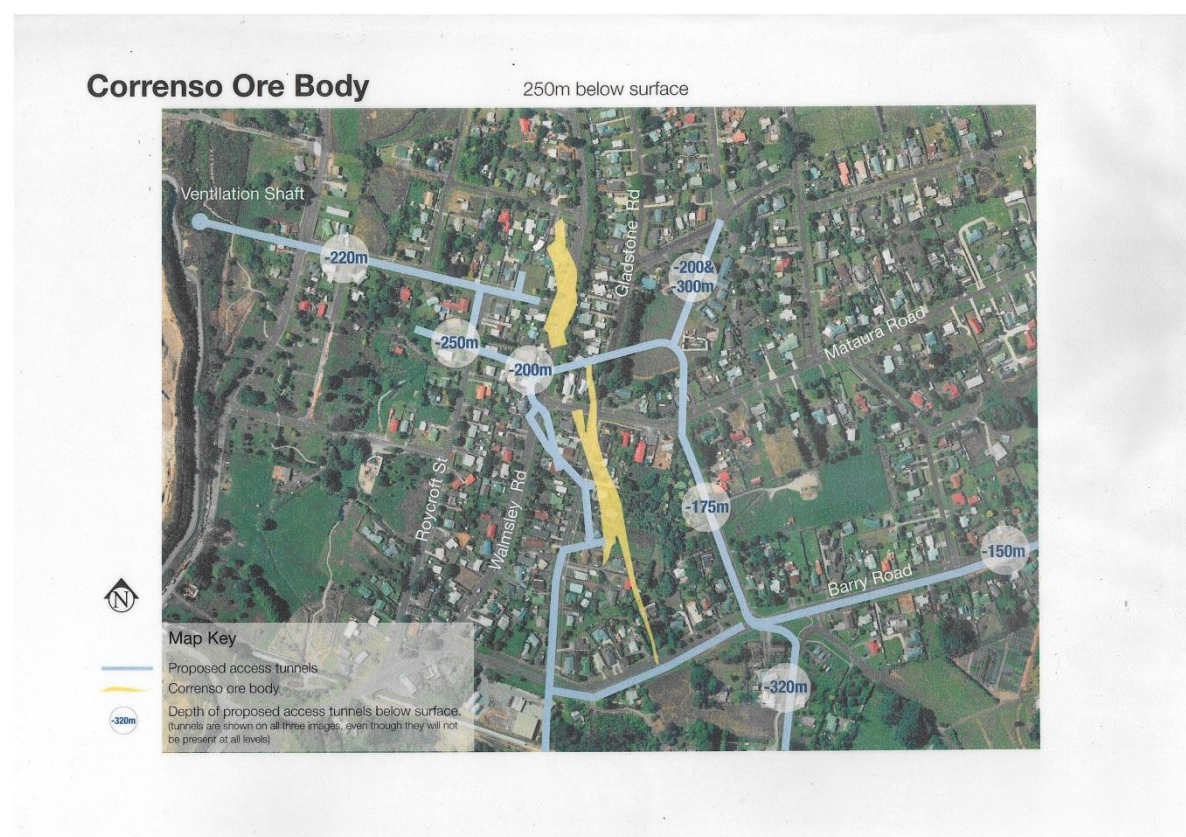
Since 1878

In August 2011 Newmont Waihi Gold announced that it was looking at mining under residential houses in the east of Waihi.

Approximately 49 houses would be above the ore body called Correnso. This would be an underground mine using existing structures in place and would have little or no effect in relation to noise or dust. The closest mining would come to the surface would be 130 metres. There would however be some effect caused from blasting due to vibration. Some residents have raised a variety of concerns.

The community and the gold mining company spent time in consultation and Newmont Waihi Gold applied for Resource Consent in late 2012 with a Resource Consent hearing held in December of 2012 in front of three commissioners..

Currently mining is due to end here in Waihi in 2016 which will mean the loss of 370 jobs (approx.) directly and another 370 jobs (approx.) indirectly.



From your unit work, tour and education sessions form your own opinion supported by evidence as to which decision below should be reached.

The mining company should be able to

- Mine the Correnso ore body without purchasing any houses
- Mine the Correnso ore body after buying the houses above Correnso ore body
- Not be allowed to mine the Corresno ore body at all.

Facts, pros and cons of touchy subject

HEART OF GOLD: Continuing from Page 1 — there are two sides to the latest announcement by Newmont Waihi Gold. **Waihi Leader** looks at both sides of the sometimes emotional arguments.

Facts both proposals:

- Newmont Waihi Gold Martha Exploration Project only needs a variation of its existing mining licence.
- It involves construction of an exploration decline under the north west wall with trial stopes to determine whether mining beneath the existing Martha pit is viable.
- It will take two to three years to complete
- It needs permission for additional blasting

Correnso Underground Proposal needs Resource Consent from Hauraki District Council and Waikato Regional Council

- The mining will take place between 150m-350m below Waihi East residential area
- There will be a 5m main access

tunnel. Plus construction of a spiral decline/incline, exhaust tunnel, and exploration drill tunnel

- The mined areas will be backfilled to ensure no voids are left
- There will be dewatering at two separate levels
- Newmont Mine officials said there will not be an increase in employment numbers but there will be work for the present workforce until 2020
- Newmont owns 120 residential properties Waihi-wide.

What are the negatives about Correnso?

- About 50 residential homes in Waihi East will be subject to vibration from blasts
- Property values could fall
- Amenity Affect programme will continue to pay residents who are

affected by the mining operation

- Residents in the Waihi East area worried about the mine operating under their houses, under a school and kindergarten
- Dewatering

What are the positives?

- Longer employment for 350 people already employed in the mining operation and an additional 350 employed in related businesses
- Better returns for Newmont Gold (in 2004 gold was US\$409, in 2011 it has reached \$1800 an ounce)
- Longer return to Waihi with Newmont spending \$190 million on goods, services, rates, taxes and royalties with just over 32 per cent going into the local community.
- Would you be happy living above a working mine? Text or email us with your views - 021 820942 or reporters@waihileader.co.nz



STARTING: Drilling to measure the groundwater in Roycroft St is one of the first stages in the Newmont Gold Mine latest exploration process.

excavations

By JILL CLEAVE

The announcement on Tuesday that Newmont Waihi Gold wants to mine directly below 30 homes in Waihi has been met with mostly positive reactions from people living above the proposed site.

The mining company's two-part Golden Link project would involve further underground mining in the existing Martha Mine pit and extending the Trio and Favona operations into new ground in Waihi east, the latter to be known as the Correnso underground project.

The \$1b proposal could extend mining under the town until 2020.

Home owner Norm Collison, 85, and his partner Mavis Basson, 76, live in one of around 30 houses which, if consents were granted, would be some 130 to 350 metres directly above the mine.

Ms Basson said she had never lived above a mine before so did not know how it would work.

"But Newmont have been good so far telling us what was happening, I don't think it will make much difference to us," she said.

She said they had heard blasting at the mine but their home shook more when logging trucks went past.

Mr Collison said he thought it was a good thing for the town.

"The thing that worries me is if mining continues for another six years I might not get to see Martha filled in as a lake," he said.

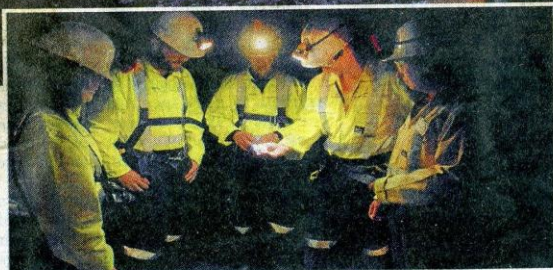
If resource consents were granted, access tunnels would come from the Trio and Favona sites and run 350m underground, parallel to roads above ground.

Murray and Brenda Kurukaanga, who live near Waihi East School, said it would be interesting to see what the company came up with.

Mr Kurukaanga said he was not worried about the access tunnels



OPTIMISTIC: Waihi couple Norm Collison and Mavis Basson aren't too concerned that they might soon be living above an underground mine. Photo: WAIKATO TIMES



being built below them. "I used to drive trucks down into Favona when they were building the tunnels and I never felt any fear of collapse. They build things to last these days," he said.

Newmont Waihi Gold general manager Glen Grindlay said his company had removed the risk of subsidence, as happened in 2001 when the Royal Mine collapsed, by backfilling any mines with waste rock as it went.

"At present for every truckload

of ore that comes out of Favona and Trio a truckload of waste rock is sent back down," he said.

The company intended to speak to every resident in the proposed area personally to answer any questions and explain what was happening, Mr Grindlay said.

Another affected resident, who did not wish to be named, said she had already been visited by company representatives.

She said she had been fearful for the environment and worried

about the dust and contamination of water.

"It was very informative and good they came to see us personally. They have explained to me about the second water table they will be drawing off and that it does not affect the one used for town water," she said.

She was concerned that natural resources be preserved for future generations.

"I feel better about it and will be attending the council meeting at

the rugby club [tonight] to find out more," she said.

The company has set up a shop in Seddon St which people can visit to get information about the proposed new operations. The company has also set up a vibration scenario so people can experience just how much vibration there will be from blasting.

The Martha Mine extensions fall within Newmont Waihi Gold's current mining licence boundary but the company needs to lodge an application to vary the conditions in order to continue.

The Correnso underground project is an entirely new entity and requires full resource consent.

NEXT PHASE: Newmont Waihi Gold has announced plans to mine \$1 billion worth of gold and silver which could extend operations in Waihi until 2020. Photo: SUPPLIED

Ten things you have told us about our proposals

[1] ...you wanted to keep Waihi East as your community, not a collection of mine-owned houses.

We initiated Top Up to keep private property in private hands and to keep the community your community.

[2] ...you are worried about your property being devalued.

The best way to maintain valuations is to generate a lot of market-value sales. Top Up does this. In 2012 15 properties have sold in Waihi East so far. Nine of these were Top Ups and four of these were bought by Newmont following the launch of the PCIP. Two were sold independently. We anticipate another five Top Ups to be completed shortly. This compares to a total of 13 in 2010 and 14 in 2011. Top Up isn't an incentive to leave town – it's a way of clearly showing that your biggest asset will always be worth market value.

[3] ...you're worried about the Rateable Valuation on your property going down.

RVs across all of Hauraki District have gone down. Residential Capital Value has decreased by 6.2% and Residential Land Value by 7.05%. Western Bay's total capital value has decreased by 22% overall, with urban residential values down on average by 8.6% and house prices in Katikati dropping anywhere between 5% and 15%. (Thames Coromandel District will publish their valuations later this month). The RVs of West and East Waihi have gone down evenly. Property prices in Waihi have consistently held up very well over the past 30 years compared with other towns.

[4] ...you wanted programmes that help improve Waihi East as a whole.

Streets Ahead commits \$200,000 each year for the next 10 years to community improvements in the area if mining continues. That's two million dollars. What this money is spent on will be determined by people on the Waihi Community Forum you know and voted for.

[5] ...Waihi East School is very important to you and it's a hub for your community.

We're supporting the school, day-care and kindergarten by providing \$150,000 each year to be spent in Waihi East as these institutions think best. This is in addition to the existing funding we will continue to provide for all schools in the Waihi area.

[6] ... you don't understand the AEP and you want it to be more transparent.

We're working on this now and we have asked the Waihi Community Forum to give us their views on a number of different options on how the AEP could be improved.

[7] ...you want programmes that helped improve property values.

Our partnership with EECA has seen over 200 homes registered for free insulation so far, with about half of these completed. This is good for keeping homes warm and people healthy; good for property values; and good for keeping your power bill down. And it's good for the local and regional businesses doing the installing – Waihi Mitre 10, Homeseal, and InstalWarmth – that's local and regional providers and jobs.

[8] ...you don't want 'backroom deals' where it looks like some people got paid out and others didn't, and you wanted somewhere independent to go if you had a dispute with the company that couldn't be resolved.

You didn't want us to 'pay people off' just because they shout the loudest. You wanted to have some control around the company's property policy, not just have it as something that's negotiated behind closed doors or inflicted by the company on people. That's why we suggested that the Waihi Community Forum be set up. 1,278 people voted for representatives on the Forum. The Independent Review Panel appointed by the Forum members has been set up to do exactly what its name says – provide an independent panel for dispute resolution.

[9] ...if the company is going to buy houses then the decisions about which houses to buy should be made transparently, independently, and should take into account not just where the property is but also the people living in them.

The Independent Review Panel will do this – people from outside Waihi with no relationship to the company, council or community will make decisions on property purchases based on a broad range of factors.

[10] ...some people want cash up front now because of our announcement.

We disagree. Handing out cash now would reduce our current funding focus on maintaining the property market and investing in the community as a whole – for the benefit of the community in the long-term. As soon as we start handing out cash just because we've announced something – and before a new mine has been approved let alone constructed - then Waihi risks becoming a town of people on company welfare, or a town of absentee landlords receiving money but choosing to live elsewhere. We all want Waihi to be a working town and a community town, not a 'where's my cheque' town.

Newmont gets tough council submissions

Hauraki District Council has sent a submission to Newmont Waihi Gold on possible outcomes for the proposed Correnso development.

The council said Waihi Gold has no obligation under law to buy houses or compensate owners for loss of property values.

The loss of property value is because of the perception that the area is somehow 'contaminated' by mining rather than because of actual physical effects.

Any actual physical effects of the proposed mine will be dealt with under the resource consent process and that process cannot impose conditions relating to property values.

Council said property values have dropped because of the financial recession but in the past overall values in Waihi have held up well in comparison with other small towns probably because of the economic activity generated by mining in Waihi.

Council said however, as far as it is aware there have been no sales in the east end of Waihi since the Correnso announcement.

Valuers are reluctant to put any values on properties without sales and this covers the whole of the eastern area of the town not just the houses over the proposed mine (Correnso).

Council believes property values and the ability to sell are the major concern of residents in the effected area.

Some people feel trapped when they would like the opportunity to be able to sell within the next few years. They feel they have been robbed of their assets by the company.

Council's submission said the gold mining company has a moral obligation to do something.

The company wishes to continue mining in the area and will most likely apply for further consents in the future.

Council is aware that Newmont uses Waihi as an example of environmental excellence and good practice in community relations.

The company wishes to continue its good relationship with the people of Waihi.

Therefore, Council believe any property policy offered by Newmont Waihi Gold should contain the following elements within the total budget.

■ Purchase of properties within close proximity to the mine where people wish to sell.

■ Cash or kind compensation for properties close to the mine area to raise values of properties.

■ General improvements to the neighbourhood.

■ An ongoing sum to form a fund where people from the mine affected ares, whose health and wellbeing are affect by not being able to sell their property can be compensated. They can apply to this fund on hardship grounds. This fund to be administered by an independent group. Details of the scheme could be worked out and agreed between the company and the council.

■ Such a policy should be developed and announced as soon as possible as the uncertainty of the situation is putting real stress on some residents.

Iwi push for share of minerals

Hauraki Maori want a slice of profits from an estimated \$1 billion gold and silver mining plan at Waihi.

Hauraki iwi are keen to keep pressure on the Government to include minerals in any future Treaty of Waitangi settlements.

A collective made up of 12 iwi from the Hauraki region is in the process of negotiating a settlement with the Government and treaty negotiations minister Chris Finlayson has indicated the deal could be vastly different from agreements with other tribes.

In a letter sent to the Hauraki Iwi Collective in July, Mr Finlayson acknowledged the tribes' desire to enter formal arrangements particularly in relation to infrastructure and investment but declined to make any assurances in

regards to an outcome. "I understand this includes matters such as the functions of the Overseas Investment Office, rights in a range of assets and preferential access to commercial opportunities.

"These would all involve new or highly unusual forms of redress or recognition and go well beyond current Treaty settlement policy parameters," he said.

Hauraki Iwi Collective chair Paul Majurey said he was adamant they would continue to push for minerals, particularly gold, to be included in any future settlement - even though the Government has always maintained that minerals such as gold, uranium and oil are not up for discussion.

The Crown Minerals Act clearly states those sorts of

resources are the property of the Crown.

Mr Majurey said while he understood the Government's position, the gold claim related to land the tribes' had lost through confiscation and the Crown's purchasing policies.

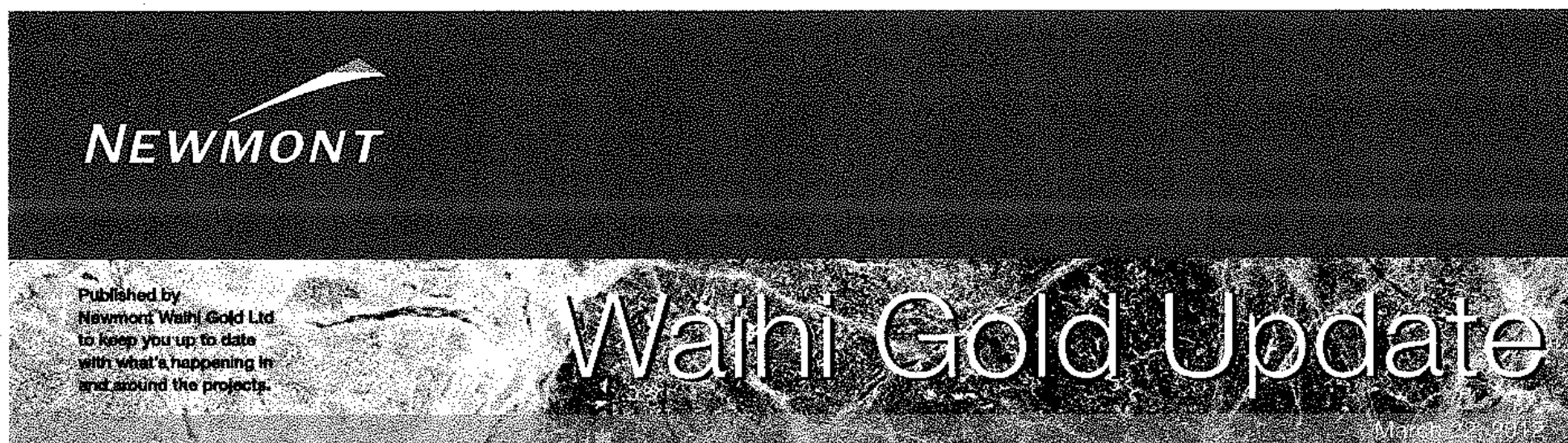
"As we progress with negotiations we are keen on looking at including minerals.

"We have a lot of ground to cover and minerals are part of that," said Mr Majurey.

When completed the settlement will offer redress and could be worth more than \$75 million.

The agreement in principle outlines that 39,000 ha of land could be made available to the iwi collective for purchase including all of the state-owned forests in the region as well as the Landcorp block at Whenuakite. Waikato Times

Newmont Waihi Gold property policy— what Newmont intends to do to help people affected by mining in relation to two new proposed mines. Correnso - under residential housing and Martha Exploration project at the bottom of the mine pit.



Property and Community Investment Policy

On Friday 16 March Newmont Waihi Gold announced its *Property and Community Investment Policy* (PCIP). This policy covers Correnso and some aspects of Martha, Trio and Favona. It is also intended to apply to any future mining operations within the Golden Link Project Area (GLPA) and beyond.

It has been produced after extensive consultation with the community as a goodwill gesture that exceeds any legal requirements. All the programmes here are voluntary. We have elected to start the programmes immediately, and before we have any consent to mine within the GLPA. You will have received a full copy of the policy in your mailbox. Further copies are available on our website www.waihiGold.co.nz and from our Golden Link office on Seddon Street.

The main points of the policy.

What will we purchase, pay for, and partner?

'We break, we pay'

- If it is determined that our activities damage your home or contents, we will pay to rectify this damage.
- If, after approaching Newmont Waihi Gold (NWG), you feel that the matter is unresolved, you may refer to the Independent Review Panel.

Property Purchases

- During 2012 and 2013 the Independent Review Panel can select 6-10 properties a year that are on the market for NWG to purchase at current market value.
- The purchases will be funded by an annual budget set by NWG.
- Property selection will be based on a range of criteria developed with input from the Community Forum and the Independent Review Panel.

Top Up

- Guarantees property sales at market value by making up the difference between the fair price offered by a purchaser and the fair market value sought by a vendor. NWG will pay the purchaser a 'top up' to add to the purchase price paid to the vendor.
- Available to all properties within the GLPA and within a defined area north and west of the open pit, based on a fair price and a fair offer.
- Up to a maximum of 20 properties a year that meet qualifying criteria.

- Only one Top Up per property.

- Real estate commission, legal fees and moving costs are to be paid by the purchaser and vendor in the usual manner.

Amenity Effect Programme (AEP)

- A refined programme is being finalised.
- Three bands of payment based on proximity to mining activity and measured effects.
- Regular payments, which will be periodically adjusted if there is a significant increase or decrease in effect.
- NWG employees and contractors will now also qualify for AEP payments.
- We will publish a summary of AEP payments each year.

'Streets Ahead'

- Annual payment of \$150,000 to schools, kindergartens and day care centres in Waihi East.
- Annual investment of \$200,000 in community improvements in the GLPA, administered by the Community Forum.
- For 2012 and 2013, a Healthy Home Fund is available to those within the GLPA who want insulation and/or clean heating in their homes. The budget will be set and provided by NWG.

Governance: How will the policy be implemented?

Newmont Waihi Gold

- NWG remains the first place residents should come to for property claims, Top Up requests, complaints and information about the AEP.

Community Forum

- Forum established by *Memorandum of Understanding* between community, council and company.
- If forum members determine that an independent chairperson or facilitator is preferable, NWG will fund the position.
- Provides a forum where members of the community can receive updates and information, and provide feedback.
- Will have the roles of:
 - reviewing and making recommendations to NWG on PCIP changes and improvements;
 - receiving copies of NWG and the Councils' monitoring results;
 - reporting to the community;
 - administering 'Streets Ahead' projects; and
 - appointing IRP members.

Independent Review Panel (IRP)

- Panel will act like an 'Ombudsman' for property matters in the GLPA.
- Made up of independent experts from outside Waihi selected by Community Forum.
- Will have the roles of:
 - administering the property purchase fund;
 - mediating damage claims;
 - mediating contested Top Up requests; and
 - making recommendations to NWG on PCIP changes and improvements.

What about properties close to Trio and Martha?

- Properties to the east of the Martha open pit and adjacent to Trio are included in the GLPA.
- Top Up will also be extended to a defined area north and west of the Martha open pit.
- Eligible properties will receive the equivalent AEP as those in the Correnso project area.

The Golden Link Project Area

Applications for resource consents to allow underground mining within Waihi East will be lodged later this month, or early in April 2012. The applications will provide for the Correnso Underground Mine, and also seek to enable future underground mining within a wider area should future viable mineral resources be located and prove mineable in

compliance with the conditions that will be set by the resource consents.

We have called this the Golden Link Project Area (GLPA). It covers all of Waihi East and the area adjacent to Trio. The fact that these applications will cover a larger area than required for Correnso does not mean that we have found another viable ore deposit other than Correnso within the

GLPA. What it does do is provide early notice to the community that we are aware of mineralisation within the GLPA and further underground mining is possible within that identified area within the term of the land use consent.

Information about GLPA was sent to Waihi residents this week. You can find out more at www.waihiGold.co.nz or call in at our Golden Link office on Seddon Street.

Gold Process

Give as much information about the process that is followed to extract ore from the using the following headings

Find it— How is gold and silver found?

Dig it - How do Newmont get gold and silver out of the ground?

Crush it - After rock is put onto trucks what happens?

Treat it— How is gold and silver recovered from rock?

Manage Waste - What are tailings and waste rock? What happens to them?

Clean the Water — What is done to ensure water is clean?

What are the economic impacts of mining in Waihi?

How much revenue was earned from mining last year and where is this money spent?

Name three concerns people living on top of Correnso have?

Notes

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Further Resources

Information of current news articles between the Waihi goldmine spokesperson and Waihi East spokesperson can be found at www.goldfm.co.nz WERGI stands for “Waihi East Rate Payers Association”

Newmont Waihi Gold

www.goldfm.co.nz/general-news/2012/newmont-waihi-gold-update-29-11-2012/

www.goldfm.co.nz/general-news/2012/newmont-waihi-gold-update-22-11-2012/

Wergi (Waihi East Ratepayers Association)

www.goldfm.co.nz/general-news/2012/what-s-up-wergi/

www.goldfm.co.nz/general-news/2012/wergi-meets-again-tonight/

You can also take a look at the submissions people have made for, neutral and against this project at :

<http://www.hauraki-dc.govt.nz/news/Mining-issues/GoldenLinkRCap/Submissions/default.htm>

The property policy can also be found <http://newmontwaihigold.wikispaces.com/Lesson+Plans+and+Resources>

and a video all about the Correnso proposal at <http://newmontwaihigold.wikispaces.com/Videos+About+Our+Mine>

A great deal of information can also be found at our website www.waihigold.co.nz in the Update section.

Newmont Waihi Gold's Community report - www.waihigold.co.nz/community-report/